

**REVIEW OF PARKING METER COLLECTIONS  
AND PARKING VIOLATION CITATIONS  
JANUARY 1998**

January 1998

The County Council and County Executive  
of Howard County, Maryland

Pursuant to Section 212 of the Howard County Charter and Council Resolution 22-1985, we  
have conducted a review of selected activities of the

DEPARTMENT OF FINANCE  
PARKING METER COLLECTIONS AND  
PARKING VIOLATION CITATIONS

and our report is submitted herewith. The scope of our examination related specifically to a review  
of the process used for parking meter collections and issuance of parking violation citations. The  
body of our report presents our findings and recommendations.

The contents of this report have been reviewed with the Chief Administrative Officer and the  
Department of Finance. We wish to express our gratitude to the Department of Finance for the  
cooperation and assistance extended to us during the course of this engagement.

Ronald S. Weinstein, C.P.A.  
County Auditor

Brenda S. Dean, C.P.A.  
Auditor-in-Charge

## SUMMARY

We reviewed the agreement between Howard County and JL Associates, Inc., to provide the County with parking related services including the issuance of citations and collection of parking meter revenue. The purpose of this review was to determine if the terms of the agreement were being carried out and whether the overall process could be improved. There has been a 76% increase in parking violation receipts since the program began and approximately \$40,000 has been collected from the meters in downtown Ellicott City. Our report includes several recommendations which will bring the program more into compliance with the intent of the agreement and strengthen internal controls, namely that:

- The designated County project manager in the Department of Finance ensure that the Parking Enforcement Manual is developed and implemented.
- Parking citations be turned in to the Department of Finance at least twice a week as specified in the agreement
- Citation books be turned in to the Department of Finance when they are completely used up
- JLA be required to furnish meter audit reports as specified in the agreement and this task no longer be performed by the Department of Finance
- Requirements of Planning & Zoning be removed from the agreement on renewal
- The agreement between Howard County and JL Associates, Inc. be amended, where necessary, to reflect the true intent of the program.

The following pages present the details of our examination.

## INTRODUCTION AND SCOPE

In August of 1996, Howard County entered into an agreement with JL Associates, Inc., (JLA) to provide the County with parking enforcement services, parking fee collection, and related activities in the Historic District of Ellicott City for a period of one year with an option to extend the contract term for up to four (4) additional years. JLA is authorized to issue citations for violations of Howard County's parking laws. In connection therewith, JLA is responsible for the maintenance and control of these citations from the time new citation books are issued by the Department of Finance to the time they are closed out and copies kept for future reference. The Director of Finance is authorized to collect the fines and penalties associated with, and record the final disposition of, issued citations. The right not to prosecute a violation of a local parking ordinance is vested exclusively in the State's Attorney. Pursuant to Section 212 of the Howard County Charter and Council Resolution 22-1985, giving the County Auditor authority to conduct periodic audits of all County agencies, this office initiated an audit of the parking violation process as it relates to the aforementioned agreement with JLA. This audit had two objectives:

- (1) to determine compliance with the terms of the agreement with JLA
- (2) to determine whether the overall parking citation process could be improved

We reviewed the procedures currently used by JLA to issue and the Department of Finance to control parking tickets. In addition, we reviewed the terms of the agreement with JLA to determine compliance therewith.

## FINDINGS AND RECOMMENDATIONS

Our review of the parking enforcement services provided by JLA indicates that, from program inception in late July 1996 through May 1997, a total of 7,733 citations were issued with a total dollar value of \$118,620. The average fine per ticket is \$15.34. There has been a 76% increase in parking violation receipts. This includes citations issued by the Police, Fire, Sheriff and Columbia Mall. In addition, \$39,791 has been collected from the meters in downtown Ellicott City. Records indicate that \$108,000 of parking violation receipts through mid-July 1997 are directly attributable to JLA. Approximately \$81,000 has been paid to JLA through May 1997 for their services. It appears from our review that revenues have increased above the cost to operate this program which is in accordance with the objectives of the program. There are, however, several areas where we have made recommendations which will bring the program more into compliance with the intent of the agreement and strengthen internal controls. These are presented in the following paragraphs.

### Written Procedures

Key to the successful operation of the parking meter and parking citation system are up-to-date written policies and procedures that are being followed by all involved in the process. Written, specific procedures provide a frame of reference from which to carry out both routine and not so routine operations and tend to strengthen internal controls. The agreement with JLA (the Contractor) specifies that "The Contractor will be responsible for implementing the policies and procedures of Title 21 of the Howard County Code and the Parking Enforcement Manual to be developed by Contractor with the approval by the County and for the training of all staff in the contents of this manual." As a result of meeting with the Project Manager for JLA, we learned that he had never seen the agreement between JLA and Howard County and was therefore not aware of the requirements contained therein including the requirement for development of a Parking Enforcement Manual. Upon request, we furnished him with a copy of the agreement and he stated that he will develop a Parking Enforcement Manual which will meet the requirements specified in the agreement. To ensure that this occurs, and that all other terms of the agreement are met, we recommend that:

1. **The Chief, Bureau of Revenue & Customer Service, Department of Finance, the designated County project manager, follow up to ensure that the Parking Enforcement Manual is developed and implemented.**

### Administration's Response:

We concur with this recommendation. The manual will be developed and implemented on or before March 15, 1998.

### Status of Parking Citation Books

Each parking citation book contains fifty (50) prenumbered citations and must be signed for when issued. When a citation for a parking violation has been issued, the original is given to the offender, a copy is kept by the issuer, and the remaining three copies are sent to Finance for further processing. Finance then enters the citation number into the computer system and is responsible for record maintenance until its final disposition. An offender may elect to pay the fine, go to trial, or, in some situations, the prosecution of the citation may be dropped by the State's Attorney by entering a nolle prosequi on the Court records. This waiver may also be requested by the Police Department but must be approved by the State's Attorney. Failure to respond to the citation will result in imposition of additional fees each month and, ultimately, refusal to renew the vehicle registration by the Maryland Department of Motor Vehicles. When all citations in a book have been accounted for by Finance, the book is closed out and removed from the computerized Parking Violation System. To preserve the integrity of the system, all parking citations should be fully accounted for. When a book or ticket is unaccounted for, the possibility of a misappropriation of County funds increases. When a book has been completed, it should contain the pink copy of all 50 tickets, including any that were voided, and it should be readily available for examination by supervisory personnel at all times. Finance should likewise have a record of all 50 tickets. A review of books assigned to JLA going back to the agreement inception in July of 1996 revealed that all tickets have been accounted for up to the present time with the exception of those books that are still being used.

### Status of Parking Citations

The agreement with JLA specifies that "Issued parking citations and voided citations are to be turned in with appropriate notations a minimum of two times a week by the issuing officer. The completed citation book shall be turned in to the Department of Finance in exchange for a new book." We were informed that citations are turned in once a week and the book stub, rather than the completed citation book, is turned in to the Department of Finance. There are times when payment for a parking citation is sent to Finance but the related copies of the citation have not yet been received by Finance and therefore not yet entered into the system. This creates a credit balance in

the system and, if the ticket is not sent in with the payment, there is no way to know where the payment should be applied. Prompt remittance of accurate, legible and complete information is necessary to keep the system running smoothly and we therefore recommend that:

2. **The designated County project manager follow up to ensure that parking citations be remitted to Finance at least twice a week as specified in the agreement.**

**Administration's Response:**

This section of the agreement was copied from a similar agreement between J.L. Associates and Montgomery County. The County has found that a once a week submission was sufficient and did not create any type of backlog for processing violations and responding to questions. As suggested in recommendation number six, the agreement will be amended to reflect the true intent of the program on or before July 1, 1998.

3. **Completed citation books be turned in to the Department of Finance.**

**Administration's Response:**

This section of the agreement was copied from a similar agreement between J.L. Associates and Montgomery County. The County receives the original copy of the violation which is used for input purposes into the computerized Parking Violation System. This ensures prompt remittance of accurate, legible and complete information. The copy remaining in the citation book is the fifth copy and may be used by the officers for purposes of notation. The books are retained by the contractor, J.L. Associates, and may serve as a reference when testifying in court. The Department of Finance reviews their computerized Parking Violation System to make certain that all tickets are sequentially accounted for. Any variances are investigated and resolved. As suggested in recommendation number six, the agreement will be amended to reflect the true intent of the program.

**Reports**

The agreement specifies that "Meter audit reports must be submitted to the Department of Finance whenever a meter is emptied." This is required of the contractor, JLA. Howard County provided a piece of handheld software which can read the meters when they are being emptied and then be downloaded on a computer to produce a report showing money collected from each meter. Under the terms of the agreement, the County had no obligation to do this. The agreement states that "The Contractor will be required to prepare the report and maintain records. . ." and "The Contractor is expected to provide all other office furnishings, supplies and equipment necessary for contract

performance" except for a fax and telephone system which must be provided by Howard County. The meter audit reports are necessary to compare to bank deposits and verify that the amount collected was the amount deposited. We were able to locate only several partial audit reports which had been downloaded on a County computer by the County Bureau of Engineering. This task was subsequently turned over to the Department of Finance who informed us that the handheld software had broken and they had not been able to produce the reports. Under the terms of the contract, this is the responsibility of the contractor, JLA, and we therefore recommend that:

4. **The designated County project manager inform JLA of their obligation under the agreement to furnish meter audit reports whenever meters are emptied, and**

Administration's Response:

JLA collects the data from each meter via a hand held software meter. The Department of Finance downloads the meter. A reconciliation is then performed per the actual amount of coin count per the bank and the amount downloaded from the meter. The person performing the reconciliation is independent of the deposit of coin into the bags which are then sealed for delivery to the bank. The agreement will be amended to reflect the true intent of the program.

5. **This task no longer be performed by the Department of Finance.**

Administration's Response:

See response to Recommendation #4.

The agreement further specifies that "A weekly assignment sheet showing projected schedule for the following week is to be faxed to the Department of Planning and Zoning office by the end of business on Friday." We were informed that this is not done and, further, the Department of Planning and Zoning is no longer involved in the execution of the agreement. We therefore recommend that:

6. **This requirement be deleted from the agreement on renewal.**

Administration's Response:

We concur with this recommendation.



### Exit Conference

At our draft report exit conference with the Department of Finance, we were informed for the first time that the duly executed agreement between JL Associates, Inc. and Howard County had been copied from a similar agreement between Montgomery County and JL Associates, Inc. and parts of it do not apply to Howard County. This being the case, we recommend that:

7. ***The agreement between Howard County and JL Associates, Inc. be amended at this time to reflect the actual intent of the relationship between Howard County and JL Associates, Inc.***

### Administration's Response:

We concur with this recommendation.

This should change the requirement for several of the foregoing recommendations. However, since we were auditing to determine contract compliance, we are obligated to report these discrepancies.

We wish to thank the staff of the Department of Finance for the cooperation and assistance extended to us during the course of this engagement.

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